

GAO's Report on the TAA Reform Act of 2002

The TAA Reform Act—Two Years Later

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October 5, 2004**

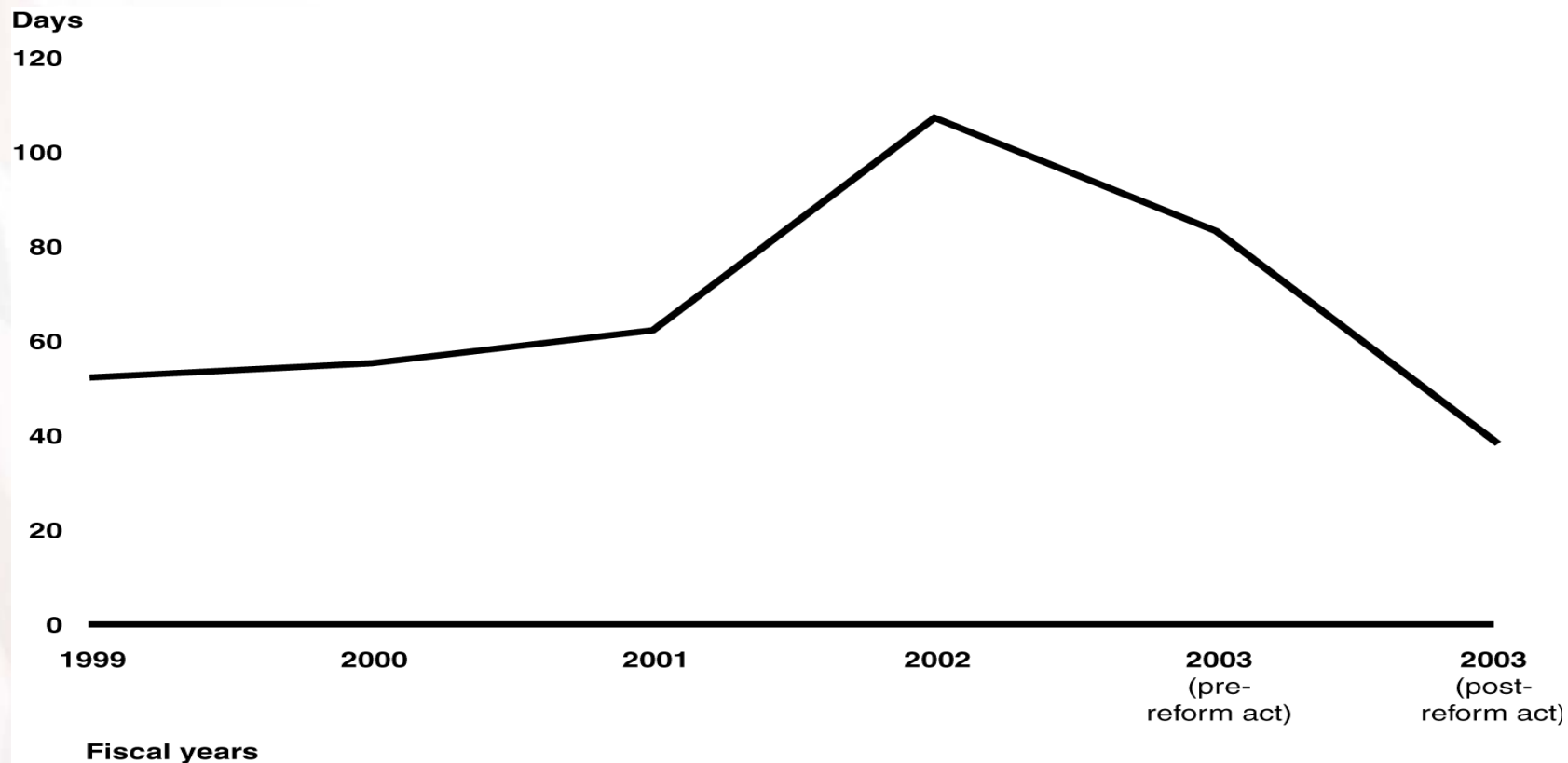
Key Provisions of the TAA Reform Act

- 40-day time limit for petition processing
 - New training enrollment deadline
 - New Health Coverage Tax Credit
 - New wage insurance benefit
 - Expansion of eligibility to more secondary workers
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Research Approach

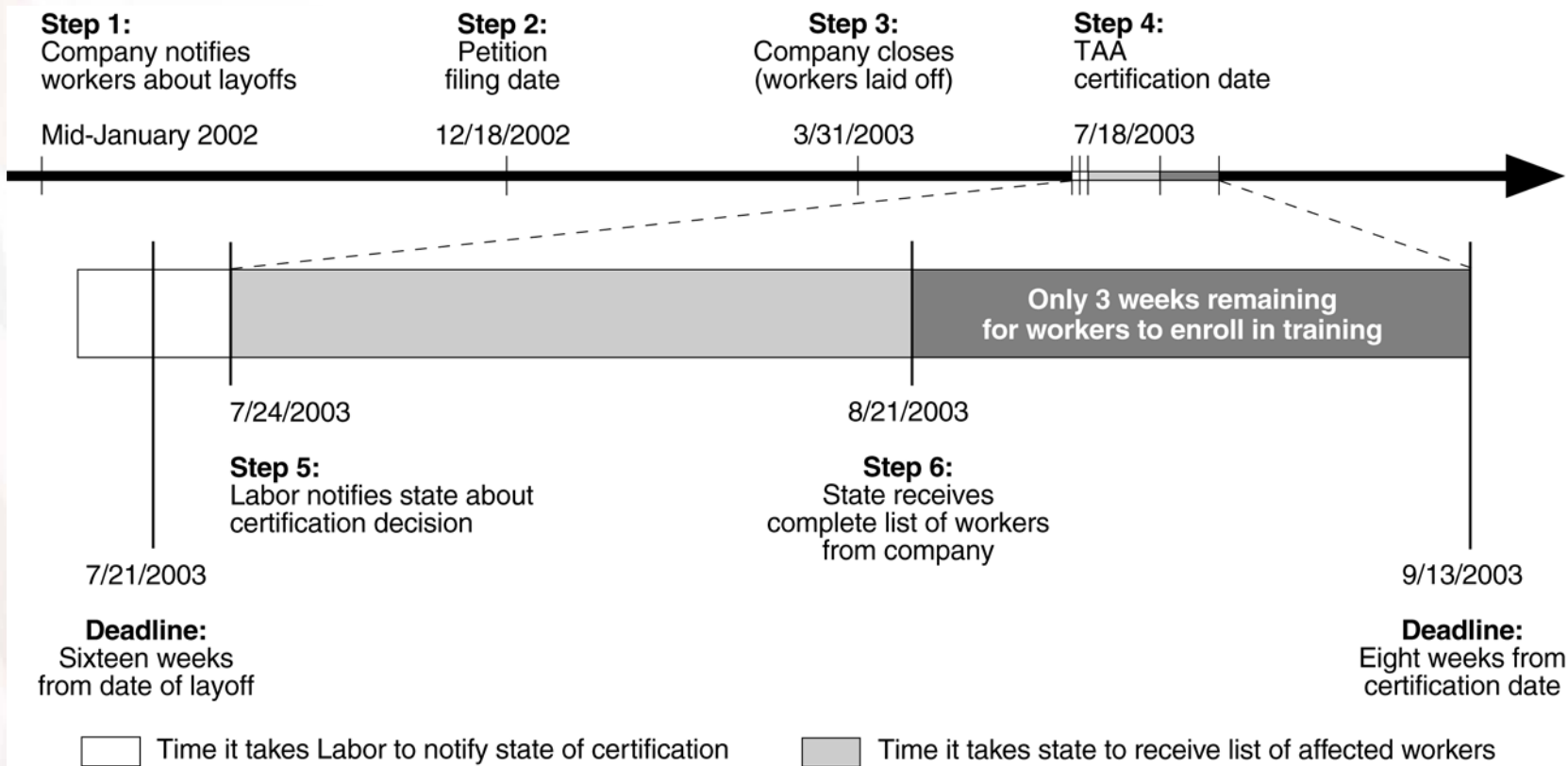
- Survey of all 50 states
 - Collection of data from Dept. of Labor on petition processing, services, & expenditures
 - Site visits to 5 states—Maine, North Carolina, Pennsylvania, Texas, & Washington
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Average TAA Petition Processing Time, Fiscal Years 1999-2003

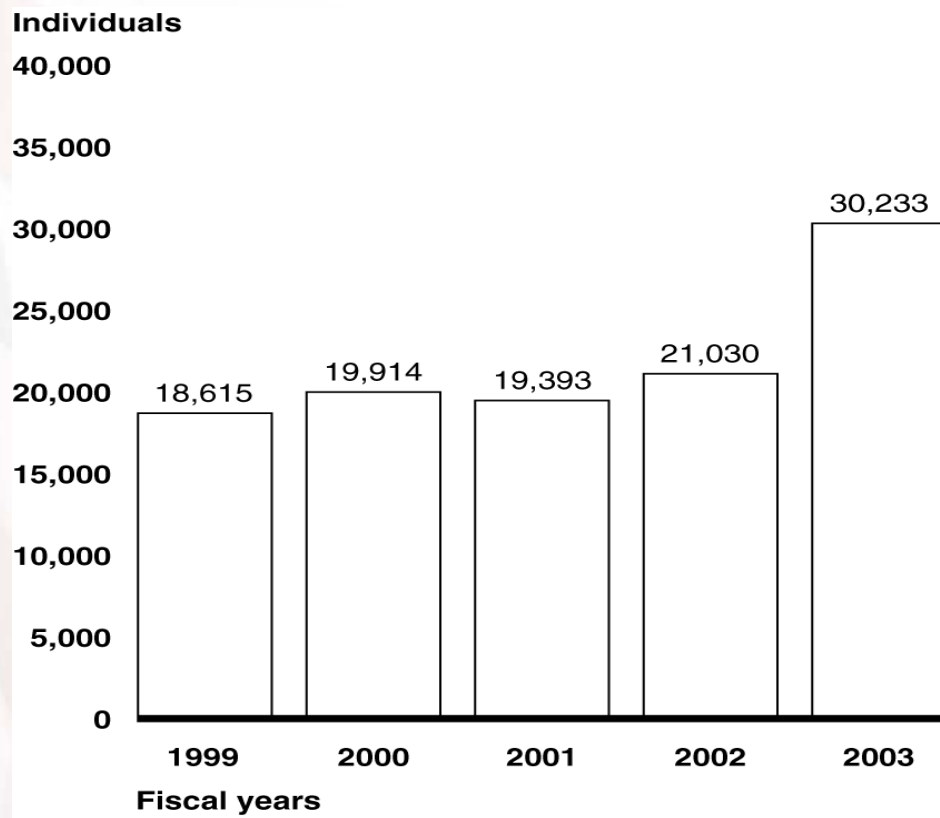


Source: Department of Labor.

Operational Delays May Leave Workers Less Time to Enroll in Training



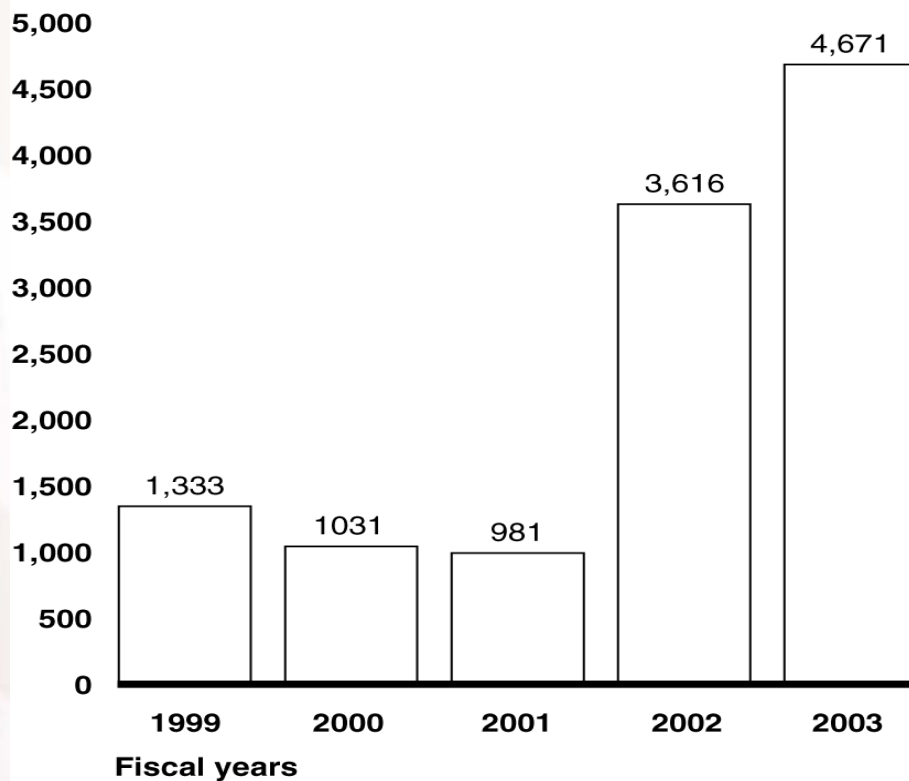
Individuals Receiving Training Waivers Fiscal Years 1999-2003



Source: Department of Labor.

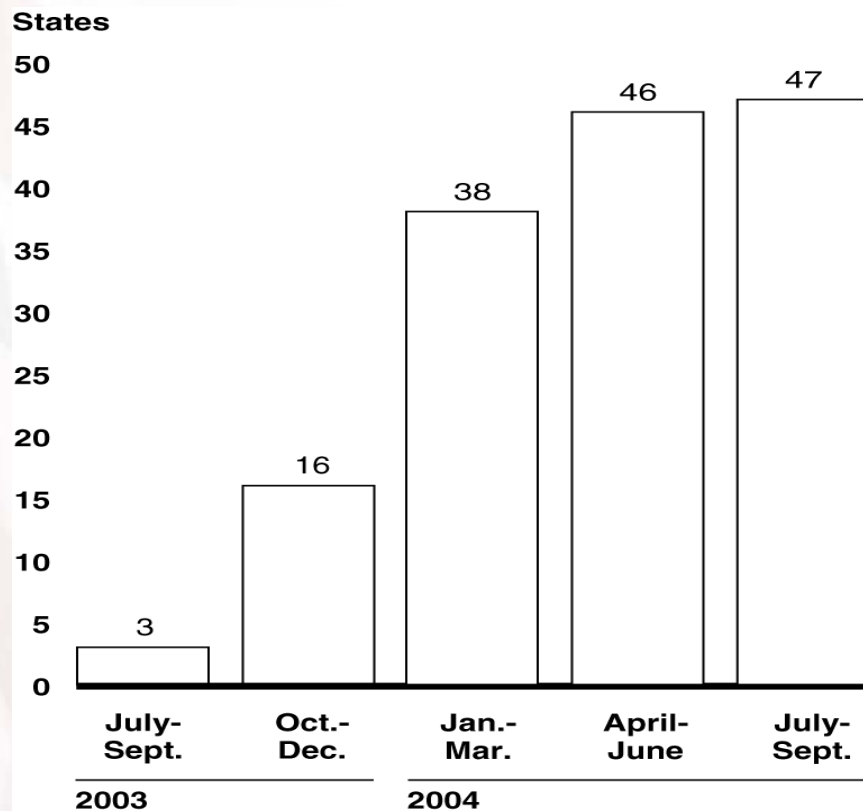
TAA-Certified Secondary Workers, Fiscal Years 1999-2003

Secondary workers



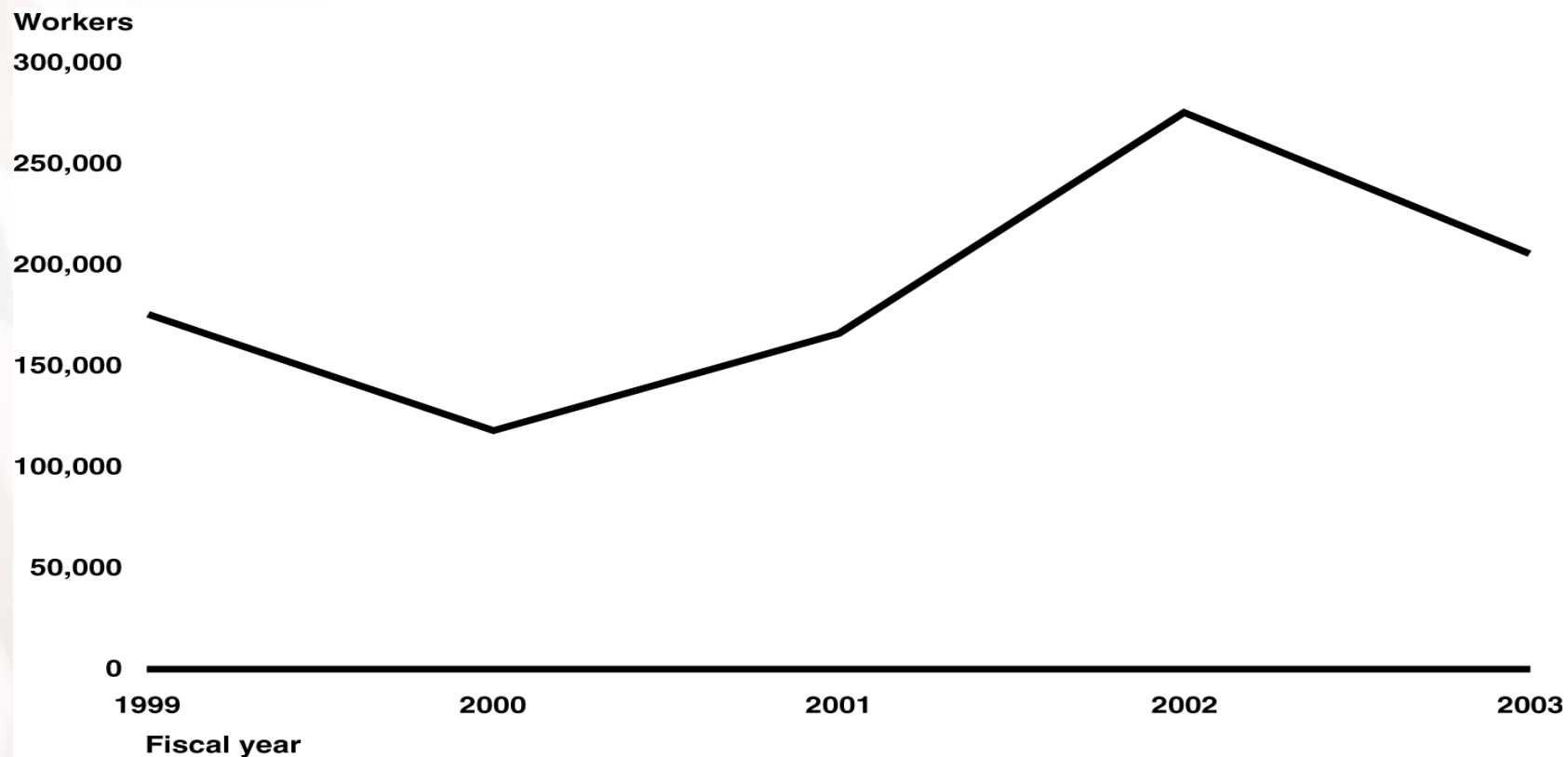
Source: Department of Labor.

Most States Had Their Wage Insurance Programs Operational by Mid-2004



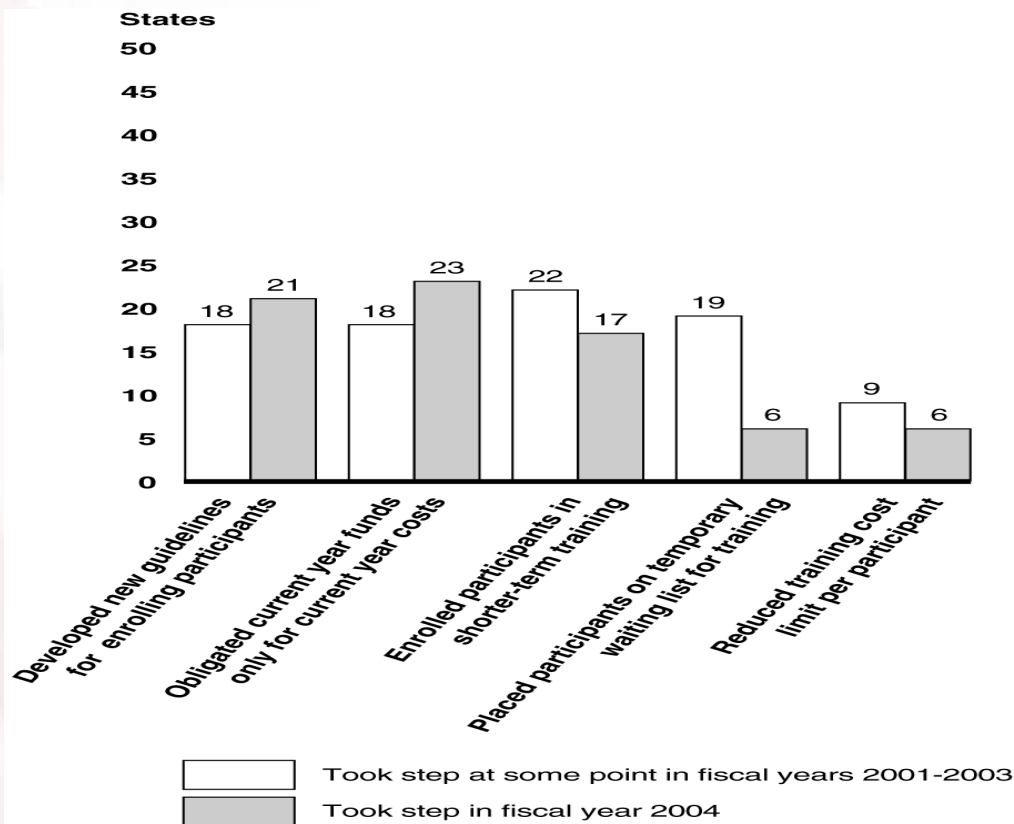
Source: GAO survey of state workforce agencies.

TAA-Certified Workers, Fiscal Years 1999-2003



Source: Department of Labor.

States Have Taken a Variety of Steps in Response to Limited TAA Funds



Source: GAO survey of state workforce agencies.

Fiscal Year 2003 TAA Performance and Goals

Indicator	Fiscal Year 2003 Performance (%)	Fiscal Year 2003 Goal (%)
Employment in first quarter after program exit	63	78
Job retention in third quarter after exit	86	88
Wage replacement for those still employed in third quarter after exit	74	90

Source: Department of Labor

In Summary

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- Most workers are enrolling in services sooner, but some may be negatively affected by the enrollment deadline
 - Administrative workload increased as officials issued more training waivers to maintain eligibility for benefits, particularly HCTC. About 5,300 were actually participating in HCTC by mid-year 2004
 - The wage insurance & secondary worker provisions, have been difficult to fully implement
 - Demand for TAA training has increased, and even though the TAA training funds doubled, states have been supplementing with other federal resources
 - Information on program results is limited, but Labor is improving
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Recommendations

- Labor should monitor TAA Reform Act implementation and propose legislative changes, if needed, related to:
 - the ability to meet the new training enrollment deadline, especially in cases of very large layoffs; and
 - whether the eligibility criteria for wage insurance result in excluding some workers who could benefit.
 - Labor, IRS, and others implementing HCTC should improve the quality of enrollment information and the timeliness of enrollment and payment processing.
 - Congress may wish to consider:
 - Changing HCTC enrollment requirements and time frames to shorten the enrollment process for the advance HCTC; and
 - Providing for retroactive payments of the HCTC from the time an individual is determined eligible until first advance payment is received.
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Trade Adjustment Assistance: Reforms Have Accelerated Training Enrollment, but Implementation Challenges Remain, GAO-04-1012 (Washington, D.C: September 22, 2004).

Health Coverage Tax Credit: Simplified and More Timely Enrollment Process Could Increase Participation. GAO-04-1029 (Washington, D.C.: September 30, 2004).
